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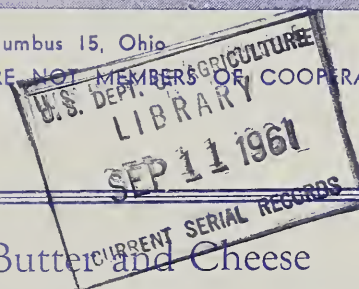
# BULLETIN

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MARKET ADMINISTRATOR

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## Consumption Increases Probable for Butter and Cheese

The Dairy Situation, Economic Research Service, USDA, June 1961

Indications for January through April 1961 suggest a continuation of the trends in commercial demand that have been evident in recent years. Total per capita butter consumption apparently is holding fairly close to last year's level, with a decline in use from commercial sources being offset by greater Government donations. On January 10, CCC butter again became available for distribution to needy persons. As the year progresses, substantially larger quantities of butter will probably be donated to welfare agencies, and this may result in some increase in the total per capita consumption for 1961 as a whole.

During World War II, civilian use of butter was sharply curtailed, even though milk production increased. The larger quantities of milk were diverted from butter to the production of dry milk, dry ice cream mix, cheese, and evaporated milk, which were shipped abroad for lend-lease and military purposes. These shipments continued for some time after the cessation of hostilities. After the war, when restrictions on butter consumption were lifted, consumers did not return to their prewar intake of butter. Prewar consumption (1935-39) was 17.0 pounds per capita, compared with the 1947-49 average of 10.6 pounds and 7.6 pounds in 1960. Since 1955, per capita use has fallen off about 0.3 pounds in each year, although part of the decline in 1959 and all of the decline in 1960 was due to smaller Government distributions. Per

capita use of butter from commercial sources in 1960 at 6.8 pounds was the same as in 1959. Declining prices for margarine relative to butter and reduced restrictions on the production and sale of margarine have been important in the decline of butter consumption.

For total cheese it seems probable that per capita consumption this year will show a greater increase than last, and will establish a new record. Nearly all of the consumption this year to date has been from commercial sources; only small quantities were distributed from Government supplies. However, recent acquisitions of cheese by CCC may permit larger donations later in the year.

American cheese consumption has remained stable since 1947, varying between 5.1 and 5.5 pounds per capita. In 1960, the average civilian ate 6.4 pounds compared with 4.1 pounds in 1935-39. Of particular interest over the last 2 years, however, is the strength shown in the commercial sector of the market, which may be partially attributed to relative high retail prices for red meats. Between 1958 and 1960, per capita consumption of cheese from commercial sources increased from 4.6 to 5.3 pounds, but because less was donated by the Government, total consumption actually declined from 5.5 to 5.4 pounds. Consumption of cheese, other than American, has increased rather steadily from 1.7 pounds per capita in 1947 to 3.0 pounds last year.

## FROZEN DESSERT CONSUMPTION NEAR YEAR-AGO LEVELS

The Dairy Situation, Economic Research Service  
USDA, June 1961

In the first 4 months of the year, the production (which statistically is the same as consumption) of frozen products containing milkfat was held back by cold weather, particularly in April and May, but mellorine output advanced 11 percent over a year ago. Although consumer incomes have held up well, the level of unemployment may have also been partially responsible for limiting the consumption of frozen dairy products. From January through April, ice cream output was 1 percent below 1960, and ice milk and sherbert were virtually unchanged. Last year, the per capita consumption of ice cream declined  $\frac{1}{3}$  of a pound to 18.4 pounds, while ice milk used increased by the same amount to 4.5 pounds. On a per capita basis, ice cream consumption since 1954 has averaged 18.0 pounds while during the same period milk sherbert was held just about steady at 1.5 pounds. The per capita consumption of mellorine has increased 0.1 pounds in each of the last 3 years and in 1960 was 1.3 pounds. Mellorine was first made in Texas and Oklahoma in the 1940's. Legislation now permits mellorine to be produced and distributed in 12 States with a population of 56 million, or 32% of U. S. total.

The production and consumption of frozen desserts, when measured in terms of product weights, have, as a group, increased more over the last decade than any other major dairy product. Many developments have contributed to the in-

(continued on back page)





*Columbus*

**MARKET FACTS FOR EASY REFERENCE**

Based on Milk Testing 3.5% Butterfat  
F. O. B. Handler's Plant

**PRICE SUMMARY**

Producers' Uniform Price (3.5%) .....	\$3.89
Producers' Uniform Price (4%) .....	4.27
Class I (3.5%) .....	4.48
Class II (3.5%) .....	4.08
Class III (3.5%) .....	3.784
Class IV (3.5%) .....	3.164
Producer Butterfat Differential for each one-tenth percent .....	7.6¢

**UTILIZATION SUMMARY**

Percent of Producer Milk in Class I .....	73.1
Percent of Producer Butterfat in Class I .....	72.6
Percent of Producer Milk in Class II .....	8.8
Percent of Producer Butterfat in Class II .....	2.7
Percent of Producer Milk in Class III .....	4.6
Percent of Producer Butterfat in Class III .....	6.5
Percent of Producer Milk in Class IV .....	13.5
Percent of Producer Butterfat in Class IV .....	18.2

**PRODUCTION SUMMARY**

Total Pounds of Producer Milk Delivered .....	28,284,509
Average Daily Class I Producer Milk .....	666,590
Total Number of Producers .....	1,241
Average Daily Production per Producer .....	735
Average Butterfat Test .....	3.61
Total Value of Producers Milk at Test .....	\$1,218,823.99
Income per Producer (7 day average) .....	\$221.77

**GROSS CLASS USE (Pounds)**

Class I Skim .....	19,922,017
Class I Butterfat .....	742,288
Class I Milk .....	20,664,305
Class II Skim .....	2,536,016
Class II Butterfat .....	27,528
Class II Milk .....	2,563,544

**AVERAGE DAILY SALES (Quarts)**

Milk .....	260,239
Buttermilk .....	5,634
Chocolate .....	10,673
Skim .....	11,330
Cream .....	7,755

July 1961	June 1961	July 1960
\$3.89	\$3.68	\$3.63
4.27	4.05	3.985
4.48	4.363	4.206
4.08	3.963	3.806
3.784	3.780	3.514
3.164	3.160	2.883
7.6¢	7.4¢	7.1¢
73.1	64.1	75.5
72.6	64.0	74.4
8.8	7.7	7.8
2.7	2.6	2.4
4.6	3.7	3.5
6.5	5.1	4.7
13.5	24.5	13.2
18.2	28.3	18.5
28,284,509	31,252,379	27,223,982
666,590	667,471	662,956
1,241	1,242	1,644
735	839	534
3.61	3.62	3.67
\$1,218,823.99	\$1,279,623.31	\$1,112,130.47
\$221.77	\$240.40	\$152.75
19,922,017	19,300,852	19,808,680
742,288	723,263	742,940
20,664,305	20,024,115	20,551,620
2,536,016	2,376,186	2,192,146
27,528	28,893	24,179
2,563,544	2,405,079	2,216,325
260,239	272,792	265,745
5,634	5,368	5,930
10,673	10,478	11,024
11,330	11,648	10,024
7,755	8,526	8,983

COMPARATIVE STATISTICS



**COLUMBUS MARKETING AREA**



JULY, 1952 - '61

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1952.....	20,273,501	3.83	68.9	27.5	3.6	—	4.47	4.949	4.549	3.803	—	2,121	308
1953.....	22,845,408	3.79	68.9	23.0	8.1	—	4.03	4.573	4.173	3.427	—	2,223	331
1954.....	23,554,889	3.76	67.6	7.8	14.8	9.8	3.53	4.20	3.80	3.22	3.05	2,158	352
1955.....	24,524,882	3.69	67.9	8.0	12.2	11.9	3.64	4.282	3.883	3.315	3.137	2,086	379
1956.....	25,619,223	3.74	67.7	8.8	10.6	12.9	3.84	4.602	3.942	3.372	3.197	2,044	404
1957.....	25,721,802	3.66	72.3	8.2	14.9	4.6	3.79	4.379	3.979	3.479	3.057	1,906	435
1958.....	25,099,314	3.67	72.0	8.8	11.0	8.2	3.51	4.079	3.679	3.279	2.856	1,808	448
1959.....	26,599,943	3.67	79.6	8.3	4.1	8.0	3.76	4.293	3.893	3.499	2.879	1,749	491
1960.....	27,223,982	3.67	75.5	7.8	3.5	13.2	3.63	4.206	3.806	3.514	2.883	1,644	534
1961.....	28,284,509	3.61	73.1	8.8	4.6	13.5	3.89	4.48	4.08	3.784	3.164	1,241	735

## CCC Purchases Of Butter And Cheese Up Sharply From A Year Ago

The Dairy Situation, Economic Research Service USDA, June 1961

CCC purchases of butter and cheese under the price support program have been running substantially above a year earlier since April 1, the beginning of the new marketing year. The quantity of butter removed from the market in April and May totaled 74 million pounds compared with 39 million pounds a year earlier. Cheese has also been purchased in significant volume for the first time in 2 years. Only 0.3 million pounds of cheese was offered to the Government in the entire 1960-61 marketing year. But in the first 2 months of the current marketing year, purchases totaled 8 million pounds and recently have averaged about 2 million pounds per week. Increasing seasonally, cheese purchases appear to be following the patterns established in 1958-59

and 1959-60 when annual volumes taken from the market were 34.7 and 50.3 million pounds. In the first 2 months of the marketing year beginning April 1, combined CCC purchases of butter and cheese were equivalent to 1.7 billion pounds of milk compared with 0.8 billion pounds a year earlier. Deliveries of non-fat dry milk to CCC in April and May were 194 million pounds, 6 percent above a year earlier.

Since 1948 significant quantities of dairy products have been purchased for price support in all years except the 1951-52 marketing year. Purchases were largest in 1953-54, measured in terms of milkfat, and represented 9.2 percent of the total fat in all milk produced. Since then purchases have adjusted downward and were

equivalent to about 3 percent of total milkfat output in each of the last 3 marketing years. In terms of solids-not-fat, Government purchases as a percentage of total production have held within a narrow range of mostly 5 to 8 percent since the 1952-53 marketing year. Such stability has been a product of two counteracting trends: (1) Supplies of solids-not-fat available for human consumption have increased more rapidly than milk production, as more farmers have shifted from the sale of farm-separated cream to the sale of whole milk but (2) consumption of solids-not-fat has been increasing just about as rapidly because consumers are eating larger quantities of foods rich in this ingredient, such as cottage cheese and non-fat dry milk.

## CONSUMPTION OF FLUID PRODUCTS CONTINUES RECENT TRENDS

The Dairy Situation, Economic Research Service USDA, June 1961

The per capita consumption of fluid whole milk has declined from 306 pounds in 1956 to 287 pounds in 1960 despite no increase in retail prices and a 4 percent rise in consumer incomes when measured in constant dollars. Information based on Federal and State regulated markets for the first few months of the year suggests that this downtrend is likely to continue in 1961, although aggregate consumption may not be too different from a year ago. Even sharper losses appear to be in prospect for cream items, including milk and cream mixtures. Last year, the decline in cream consumption was temporarily arrested at 9.3 pounds per capita after having drifted lower in each of the preceding 13 years. Reduced use of cream

reflects consumers' efforts to reduce their intake of certain fats. On the other hand, sales of skim or low-fat items have been running well above a year ago. Per capita consumption of skim milk products for the United States as a whole has not risen over the last decade, even though consumption by the nonfarm population has grown rapidly. The reason is that the increase in nonfarm consumption has been offset by the reduction in use on farms, reflecting the downtrend in both the farm consumption rate and farm population. Indications are that about the same total quantity of milk has been utilized in fluid milk products so far this year compared with last. On a per capita basis, however, less milk was probably used.

## SORGHUM ACREAGE

### DOWN 26 PERCENT

The Feed Situation Economic Research Service  
USDA, July 1961

Heavy participation in the 1961 Feed Grain program resulted in a 26 percent reduction in the sorghum acreage. The total acreage planted to all sorghums was estimated in July at 14.3 million acres, 5.0 million less than in 1960 and the smallest in 10 years. Of the 19.3 million acres planted in 1960, 15.4 million acres or about 80 percent were harvested for grain. Record yield per acre last year gave a bumper sorghum grain crop of over 600 million bushels. The cut in total acreage this year probably will give at least as great a reduction in the size of the crop.



## FROZEN DESSERTS . . .

(continued from front page)

creasing popularity of frozen desserts. Retail prices per half gallon for ice cream have been quite stable since 1951, while all food prices have increased by an average of 6 percent. Since consumers have been buying a larger proportion of frozen desserts in larger-sized containers, which have a lower unit cost, the average price per gallon for all ice cream has actually declined since 1951. Also, frozen desserts have become more readily available in food stores, roadside stands, and at places of work. Increased refrigerator storage space has also helped in this regard. These developments have made it much more convenient to buy and serve frozen desserts. Apparently, these products have also been more responsive than most dairy products to growth in consumer incomes.

Although ice cream output has increased each year in the last decade, moving from 554 million gallons in 1950 to 701 million in 1960, the increases have been spectacular for the other members of the frozen dessert family, particularly the relative newcomers, ice milk and mellorine. In the 10 years, the output of ice milk almost quadrupled, reaching 144 million gallons last year. Since 1952, the production of mellorine type desserts increased by slightly more than 4 times to 46 million gallons last year. Milk sherbert output in 1960 was 42 million gallons, about 2½ times as much as in 1950.

An important factor in the different growth rates is relative price, but as in the case of fluid milk items, part of the

explanation probably lies in the conscious effort on the part of consumers to limit their use of certain fats. Ice cream, ice milk, and milk sherbert are all dairy products; they differ from one another mainly in the percentage of milkfat they contain. Standards for ice cream vary by States, but in most States the minimum percentage is 10 percent or more. Ice milk usually must contain at least 3 percent milkfat, but less milkfat than ice cream, while the requirement for milk sherbert is roughly around 3 percent or less. Mellorine, on the other hand, has roughly the same fat content as ice cream but is made from fat and oils other than butterfat. Ice cream, ice milk and mellorine contain roughly the same amount of milk solids-not-fat but sherbert has a much lower milk solids-not-fat content and more sugar.

## MORE DAIRY PRODUCTS FOR SCHOOL LUNCH PROGRAMS IN 1961 LIKELY

The Dairy Situation, Economic Research Service  
USDA, April 1961

The Government likely will distribute larger quantities of dairy products for school lunch and other programs in 1961 than last year. Cold storage stocks of both butter and cheese have been larger in early 1961 than a year earlier. With dairy production increasing more than the expected aggregate consumption from commercial sources, sales of dairy products to CCC likely will be larger in 1961 than in 1960. The supply of nonfat dry milk in particular will continue to far exceed domestic consumption and a large quantity will continue to be shipped overseas for welfare uses.

## Market Quotations

July  
1961

12 MIDWEST CONDENSERIES 3.5% per Cwt. ....	\$3.154
4 CONDENSERIES (Cincinnati) 3.5% per Cwt. ....	2.8375
4 CONDENSERIES (Tri-State) 3.5% per Cwt. ....	2.844
Evaporated Milk Code Price, 3.5% per Cwt. ....	2.894
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati) ....	3.3270
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus).....	3.284
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton) ....	3.308
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo).....	3.182
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-State, North Central O.)....	3.182
Average Weekly Cheddars price per lb. ....	.34375
Average price per lb. non-fat dry milk solids, roller process, delivered in Chicago ....	.1550
Average price per lb. 92-score butter at Chicago ....	.60466
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant.....	.14865

## THE Market Administrator's BULLETIN

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